

Bonded Indebtedness: fiscal year 1966

	Bonds Outstanding 6/30/65	%	Bonds Issued During Year	%	Bonds Redeemed During Year	%	Interest Paid During Year	%	Bonds Outstanding 6/30/66	%	Bonds Authorized But Unissued 6/30/66	%
GENERAL OBLIGATION BONDS:												
General Construction Bonds	\$142,643,651	43	\$31,640,000	43	\$12,885,903	45	\$3,882,301	40	\$161,397,748	43	\$ 69,791,817	30
Local Purpose Bonds	44,180,000	14	10,500,000	14	3,884,000	13	1,368,829	14	50,796,000	14	109,165,000	46
General Public School												
Construction Bonds	122,597,000	37	26,570,000	36	10,926,000	38	3,735,331	39	138,241,000	37	48,405,000	21
State Agency and Political												
Sub-Division Bonds	20,230,349	06	5,085,000	07	1,191,097	04	645,688	07	24,124,252	06	7,871,400	3
Total General												
Obligation Bonds	\$329,651,000	100	\$73,795,000	100	\$28,887,000	100	\$9,632,149	100	\$374,559,000	100	\$235,233,217	100
STATE ROADS COMMISSION OF MARYLAND (SPECIFIC TAX REVENUE BONDS):												
State Highway												
Construction Bonds	\$253,069,000	91	\$20,000,000	89	\$12,501,000	89	\$8,197,972	92	\$260,568,000	91	\$ 99,432,000	80
County Highway												
Construction Bonds	24,824,000	09	2,520,000	11	1,565,000	11	755,569	08	25,779,000	09	24,221,000	20
Total Limited												
Obligation Bonds	\$277,893,000	100	\$22,520,000	100	\$14,066,000	100	\$8,953,541	100	\$286,347,000	100	\$123,653,000	100

The tax supported Public Debt of the State of Maryland is divided into two major categories: General obligation bonds that carry the full faith and credit of the State; and limited obligation bonds issued by the State Roads Commission and payable out of highway revenue. Both of these categories of bonds are redeemed over a period of fifteen years and are well secured by dedicated revenues.

General Obligation Bonds are further categorized and secured by revenues as follows:

- A. General Construction Bonds and Local Purpose Bonds, representing 57% of the Bonds outstanding, are fully secured by the revenue from the State Real and Personal Property Taxes.
- B. General Public School Construction Bonds, representing 37% of the Bonds outstanding, are secured by revenues as follows:

1. Payment of principal and interest on bonds issued by the State prior to January 1, 1958 is made by the Counties and Baltimore City to the State from local taxes levied.

Payment of principal and interest on bonds issued by the State on and after January 1, 1958 is made through deductions by the Comptroller of the Treasury from funds due said Counties and Baltimore City under the applicable provisions of State Law relating to the Income Tax, the Tax on Racing, the Recordation Tax, the Tax on Amusements, the License Tax, and the Incentive Fund on School Buildings. These payments are to be made within fourteen years from the date of the issuance of the Bond Certificates.

2. If there is not enough revenue from sources indicated in paragraph one above to cover principal and interest the difference must be included by the State in the Real and Personal Property Tax levy.

- C. State Agency and Political Sub-Division Bonds, representing 6% of the Bonds outstanding, are secured by revenues as follows:

1. On bonds issued covering construction for the Department of Motor Vehicles and the Department of Maryland State Police payment of principal and interest is made to the State from fines and other receipts of the Department of Motor Vehicles.
2. On bonds issued for the Maryland Port Authority payments of principal and interest is made to the State from the $\frac{1}{2}$ of 1% distribution of Corporation Income Tax.
3. On bonds issued covering construction for the Department of Employment Security payment of principal

and interest is made to the State from annual rent received from the United States Department of Labor.

4. If there is not enough revenue from sources indicated in paragraphs one thru three above to cover principal and interest the difference must be included by the State in the Real and Personal Property Tax levy. All monies received from the State Real and Personal Property Taxes and all payments received from State Agencies and Political Sub-Divisions as outlined above are placed in the Annuity Bond Fund which is set up with a separate account for each Bond Act enacted by the General Assembly. All principal and interest on General Obligation Bonds is paid from this fund.

State Roads Commission Bonds are limited obligation bonds and are repayable from specified tax revenues. These bonds fall into two classifications and are secured by revenues as follows:

- A. State Highway Construction Bonds.

The principal and interest on these bonds is paid from the following sources:

1. That portion of the proceeds of the excise tax on the issuance of certificates of title to motor vehicles as is represented by a rate of 2% of the fair market value of motor vehicles.
2. That portion of the 50% share of the Gasoline Tax Fund as is represented by the proceeds of the gasoline tax imposed at the rate of five cents per gallon of motor vehicle fuels.
3. The 50% share of said Gasoline Tax Fund as is represented by the proceeds of said gasoline tax imposed at the rate of one cent per gallon of motor vehicle fuels.

- B. County Highway Construction Bonds.

The principal and interest on these bonds is paid from the following sources:

1. The 20% portion of the six cents per gallon Gasoline Tax Fund that is distributable to Counties and Municipalities within Counties.
2. The 20% portion of the Motor Vehicle Revenue Fund that is distributable to Counties and Municipalities within Counties.

Funds necessary to meet the Debt Service Requirements on these Bonds must be transferred, by the Comptroller, to the Sinking Funds set up for their retirement prior to the use of these revenues for any other purpose or their distribution, by the State Roads Commission, to the Counties and Municipalities within Counties.

† Included in General Obligation Bonds Authorized but Unissued at 6/30/66 is \$57,046,700 authorized by the General Assembly during the regular session of 1966.